



# Strategic Plan Issues

**May 6, 2014**  
**Robert Layton**

# Introduction

- Strategic Planning Process – This process is designed to shape the future of Wichita, by identifying and funding priorities.
- Community Engagement – The Community Investment Plan and the ACT / ICT process both provided valuable citizen input on future issues.

# Introduction

- Priorities developed by the engagement process include:
  - Economic Development
  - Downtown Improvements (including Century II)
  - Public Transportation
  - Homelessness and Affordable Housing solutions
  - Passenger Train Service
  - Street Maintenance
  - Reliable Sources of Water

# White Papers

- Economic Development
- Quality of Life Facilities
- Public Transportation
- Homelessness

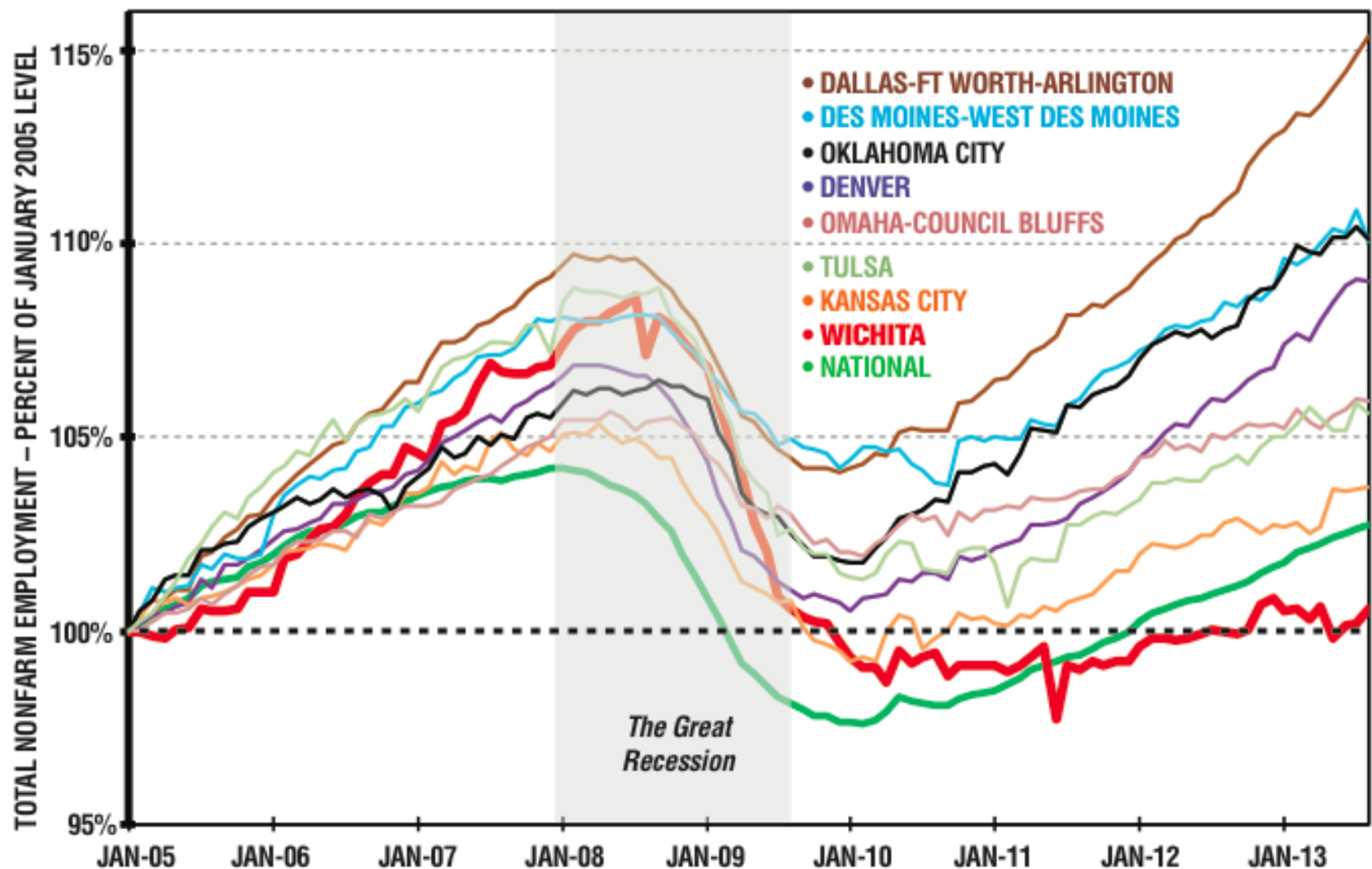
# **Accelerating Competition for Primary Jobs:**

Jobs Fund Discussion

Wichita City Council

May 6, 2014

# Midwest Metro Great Recession Employment Recovery



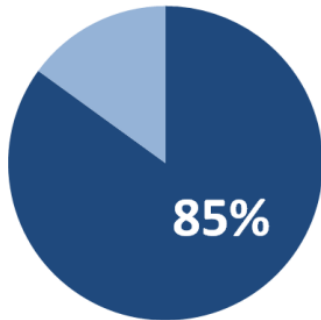
Source: Federal Bureau of Labor Statistics

# Community Priorities from ACT ICT Community Engagement

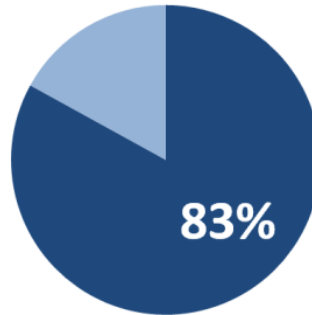
- 1) Create reliable source of water
- 2) Encourage economic development, business investment and job creation

# Community Investment Survey

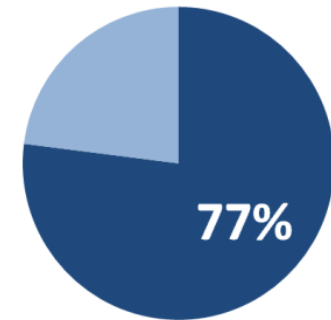
Local business expansion



Business relocation to our community



Industrial sites ready for development

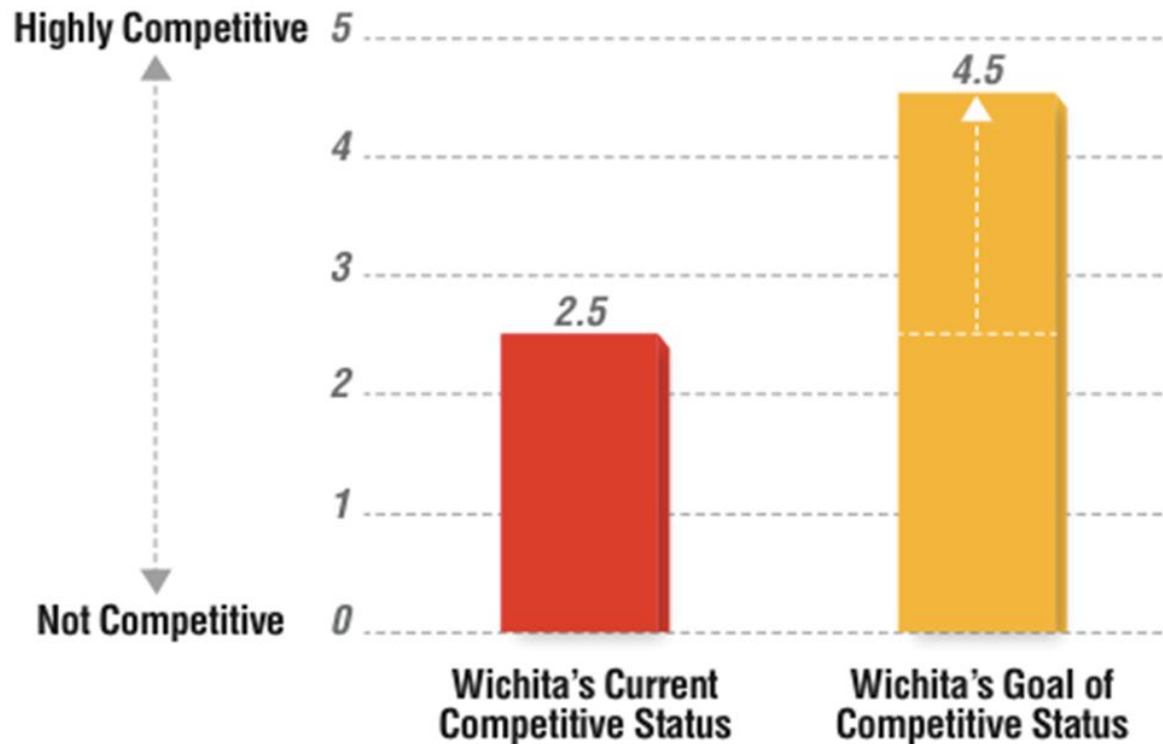


Source: Community Investment Survey, Hugo Wall School, Wichita State University



# How Competitive do we want to be?

Leadership Council Survey 2013



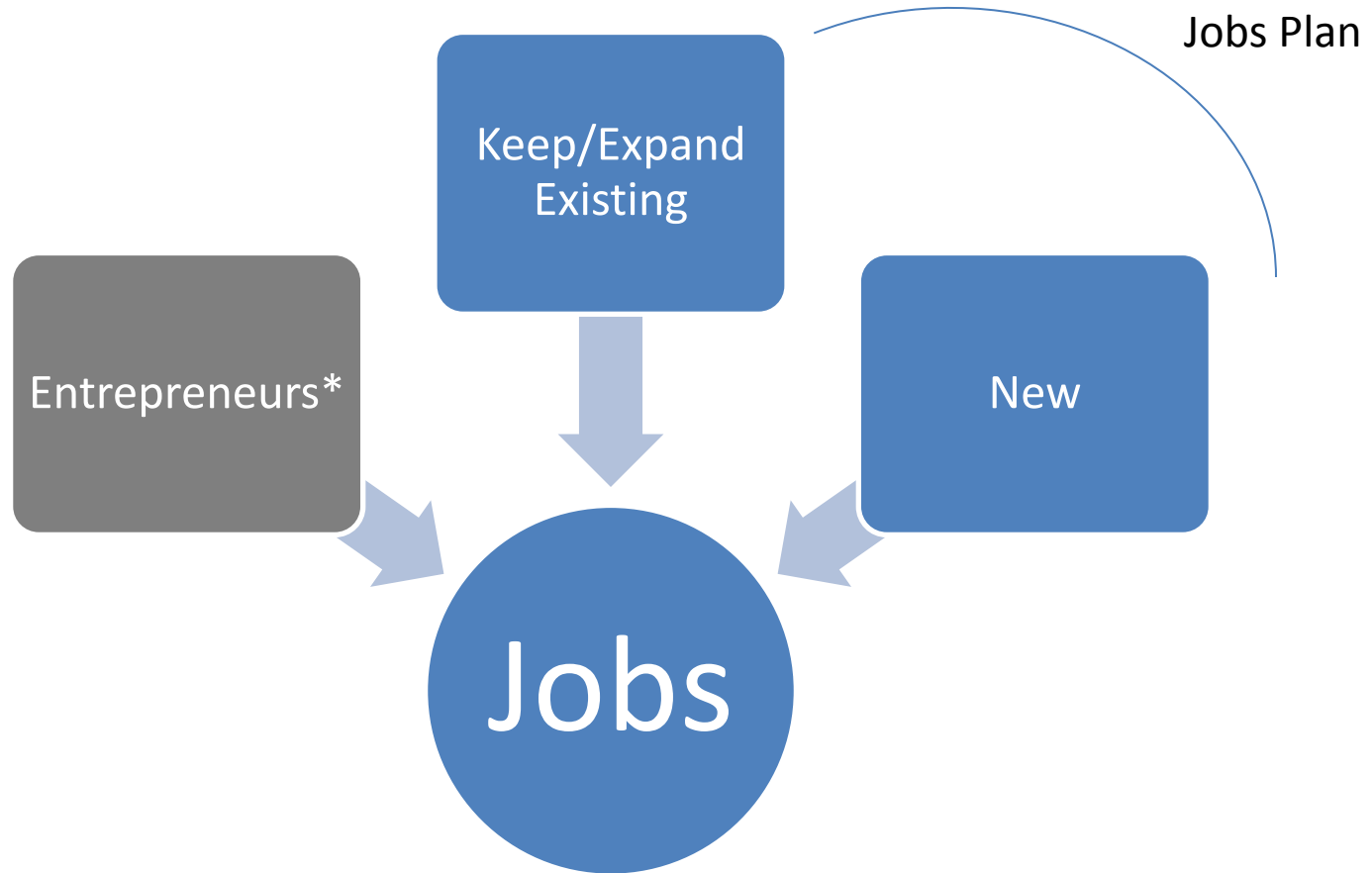
## Loss of Boeing - Impact on Jobs



\*Source: Federal Bureau of Economic Analysis

*Boeing job loss estimate for 2013-14*

# Three-pronged plan to grow jobs



\*Private Funding

# Dozens of factors considered

## Corporate Site Selectors 2013 Combined Ratings Survey\*

Site Selection Factors Ranking	2013	2012
<b>1.</b> Availability of skilled labor	<b>98.3</b>	<b>96.5 (2)**</b>
<b>2.</b> Highway accessibility	<b>97.4</b>	<b>98.3 (1)</b>
<b>3.</b> State and local incentives	<b>93.8</b>	<b>91.1 (6)</b>
<b>4.</b> Available land	<b>93.0</b>	<b>86.6 (12)</b>
<b>5.</b> Labor costs	<b>92.9</b>	<b>93.0 (3)</b>
<b>5T.</b> Proximity to major markets	<b>92.9</b>	<b>92.9 (4)</b>
<b>7.</b> Tax exemptions	<b>91.9</b>	<b>90.3 (7)</b>
<b>8.</b> Energy availability and costs	<b>88.6</b>	<b>89.3 (9)</b>
<b>8T.</b> Accessibility to major airport	<b>88.6</b>	<b>83.6 (13)</b>
<b>10.</b> Expedited or “fast-track” permitting	<b>87.7</b>	<b>92.8 (5)</b>

\*All figures are percentages and are the total of “very important” and “important” ratings of the Area Development Consultants Survey and are rounded to the nearest tenth of a percent.

\*\* (2012 ranking)

Source: Area Development Site Selector Survey

# Wichita Factors

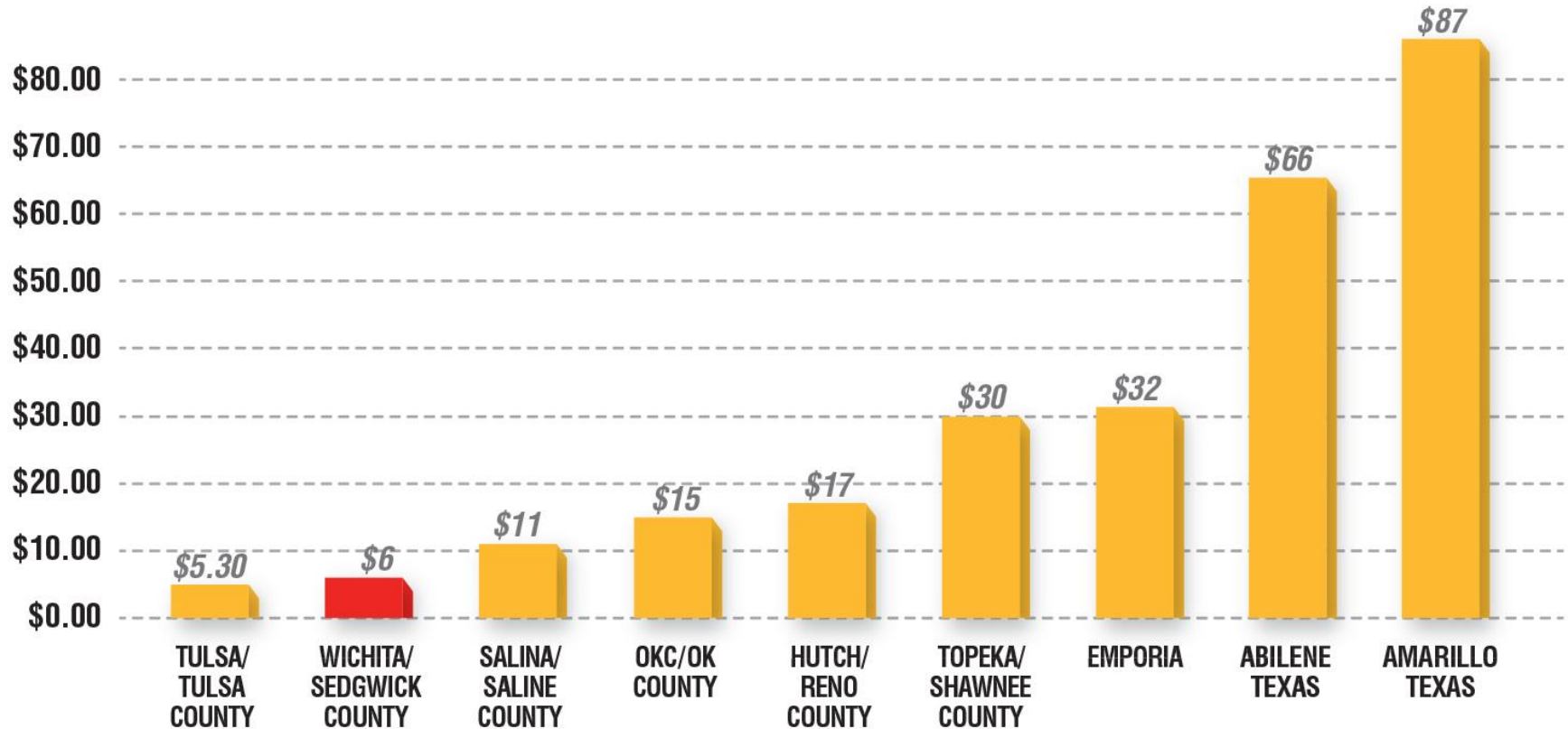
## **Strengths Include**

- Skilled workforce
- Central location
- Improving tax structure

## **Competitive Improvement**

- Real estate options
- Telling our story
- Diversification
- Competitive incentives

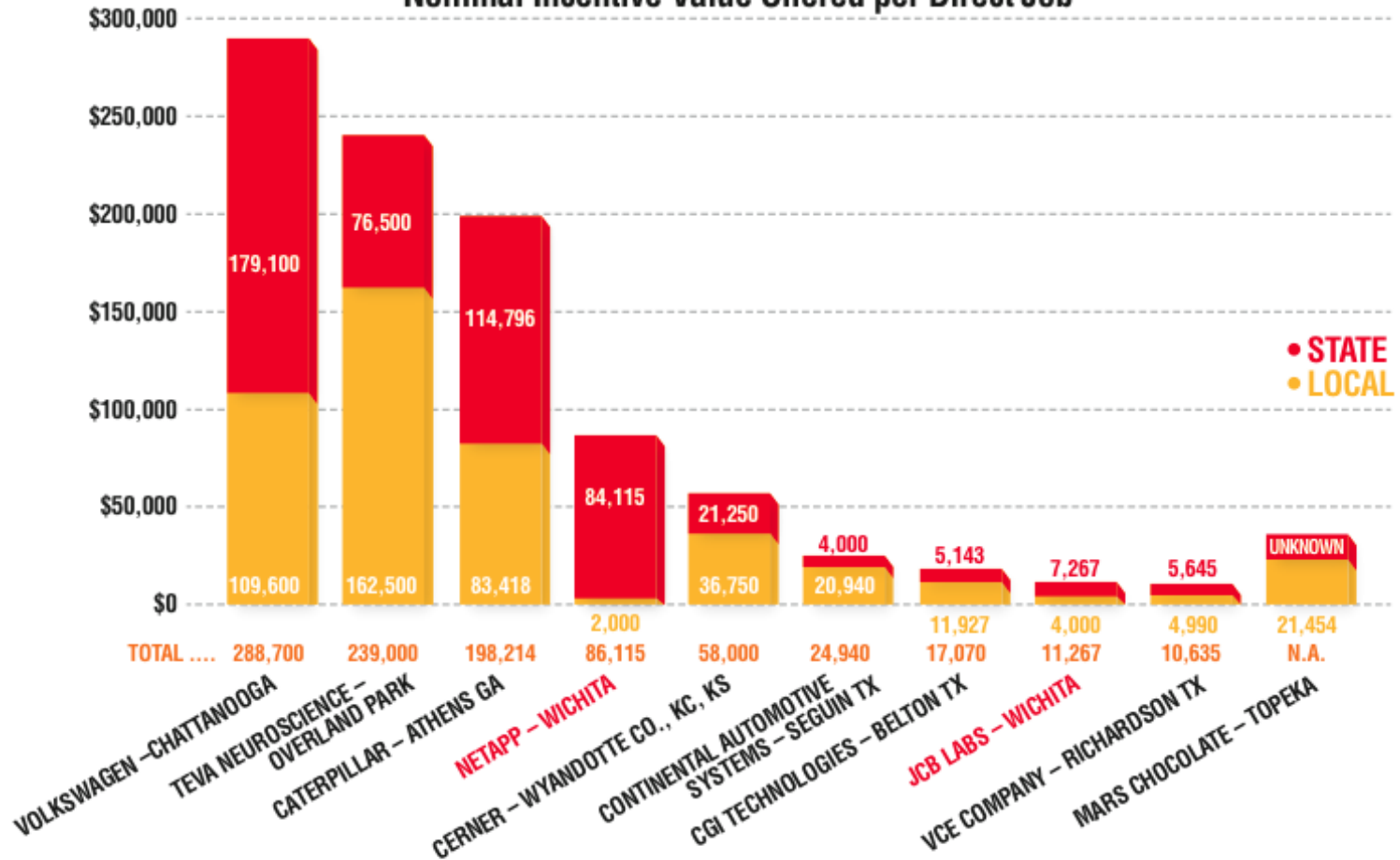
# Estimated Annual Per Capita Economic Development Funding



Source: GWEDC analysis

# Competition for Non-Aviation Jobs

## Nominal Incentive Value Offered per Direct Job

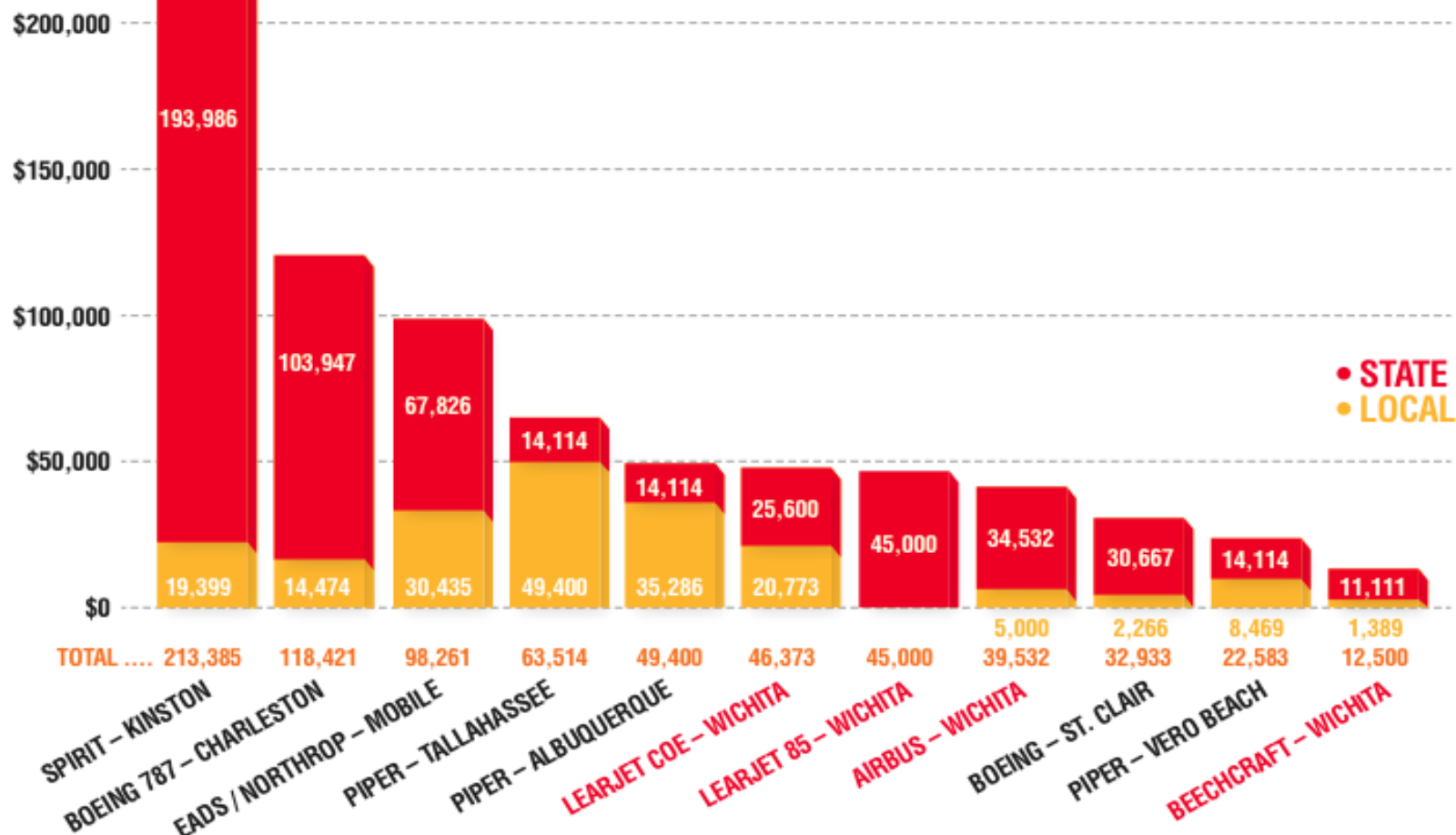


Sources: Wichita Projects – GWEDC/Non-Wichita Projects – News releases and articles

Time period covered is 2008-2012

# Competition for Aviation Jobs

## Nominal Incentive Value Offered per Direct Job



Sources: Wichita Projects – GWEDC/Non-Wichita Projects – News releases and articles

Time period covered is 2007-2011



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# Top 10 Sedgwick County Taxpayers

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COMPANY	2011 TAXES
Spirit AeroSystems, Inc.* .....	\$11.40 million
Kansas Gas and Electric – A Westar Company .....	\$7.99 million
Boeing Defense, Space and Security .....	\$5.91 million
Beechcraft .....	\$4.22 million
Cessna Aircraft Company .....	\$4.21 million
AT&T .....	\$3.48 million
Kansas Gas Service – Division of ONEOK, Inc. ....	\$3.26 million
Wesley Medical Center .....	\$3.16 million
Simon Property Center .....	\$2.86 million
Wal-Mart Real Estate Business Trust .....	\$1.67 million

*\*Combined Spirit AeroSystems, Inc. and Mid-Western Aircraft Systems, Inc.*

Source: Sedgwick County

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## **Jobs Fund Task Force**

- New plan to grow jobs – turning point
- Benefit community – jobs, expanded tax base, growth and opportunities
- \$90 million – over 5+ years to be able to compete



## **Jobs Fund Task Force**

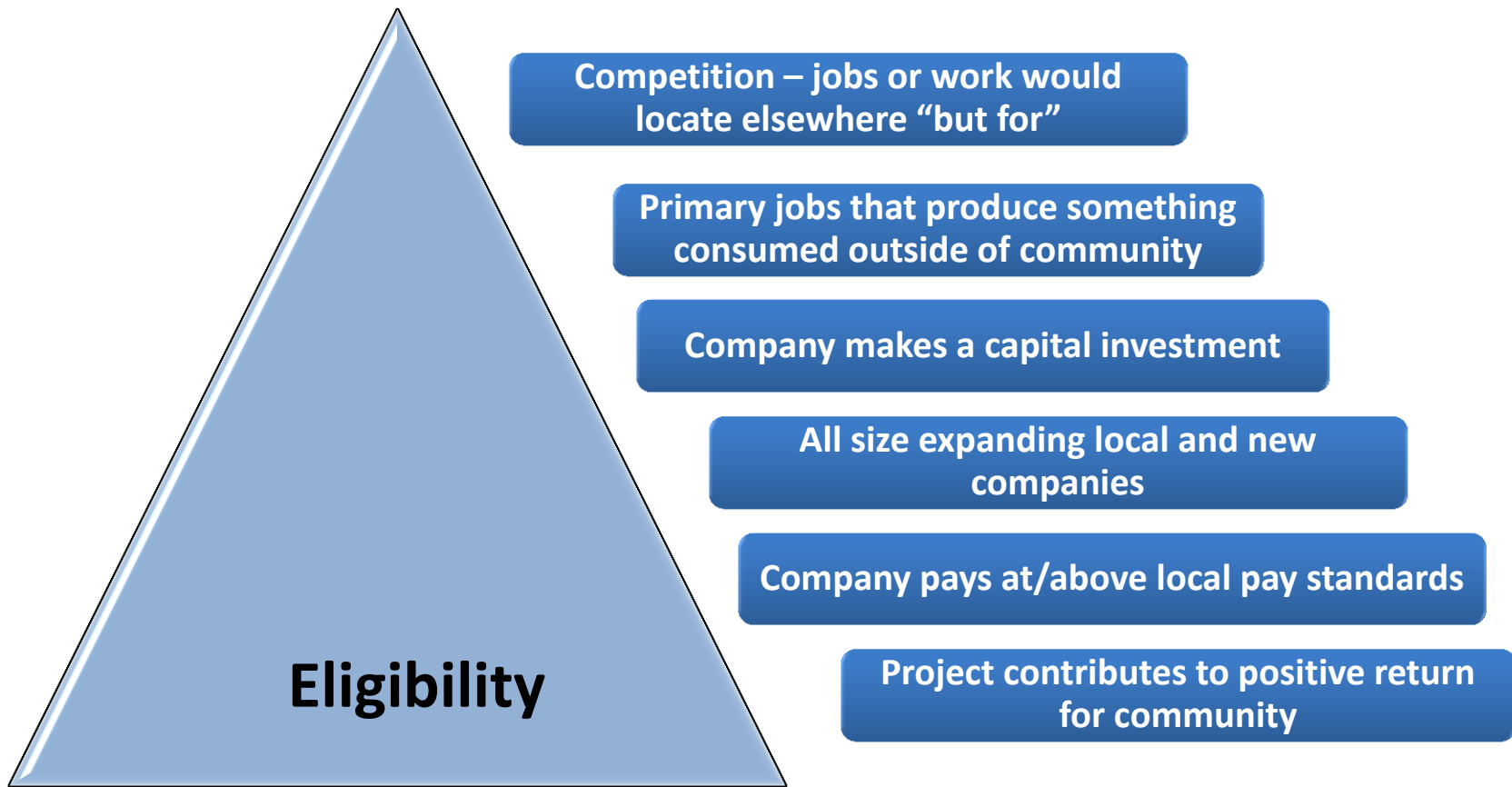
- What will public dollars be used for?
- What are policy considerations?
- What are the eligibility requirements?
- Who makes sure dollars used effectively and efficiently?



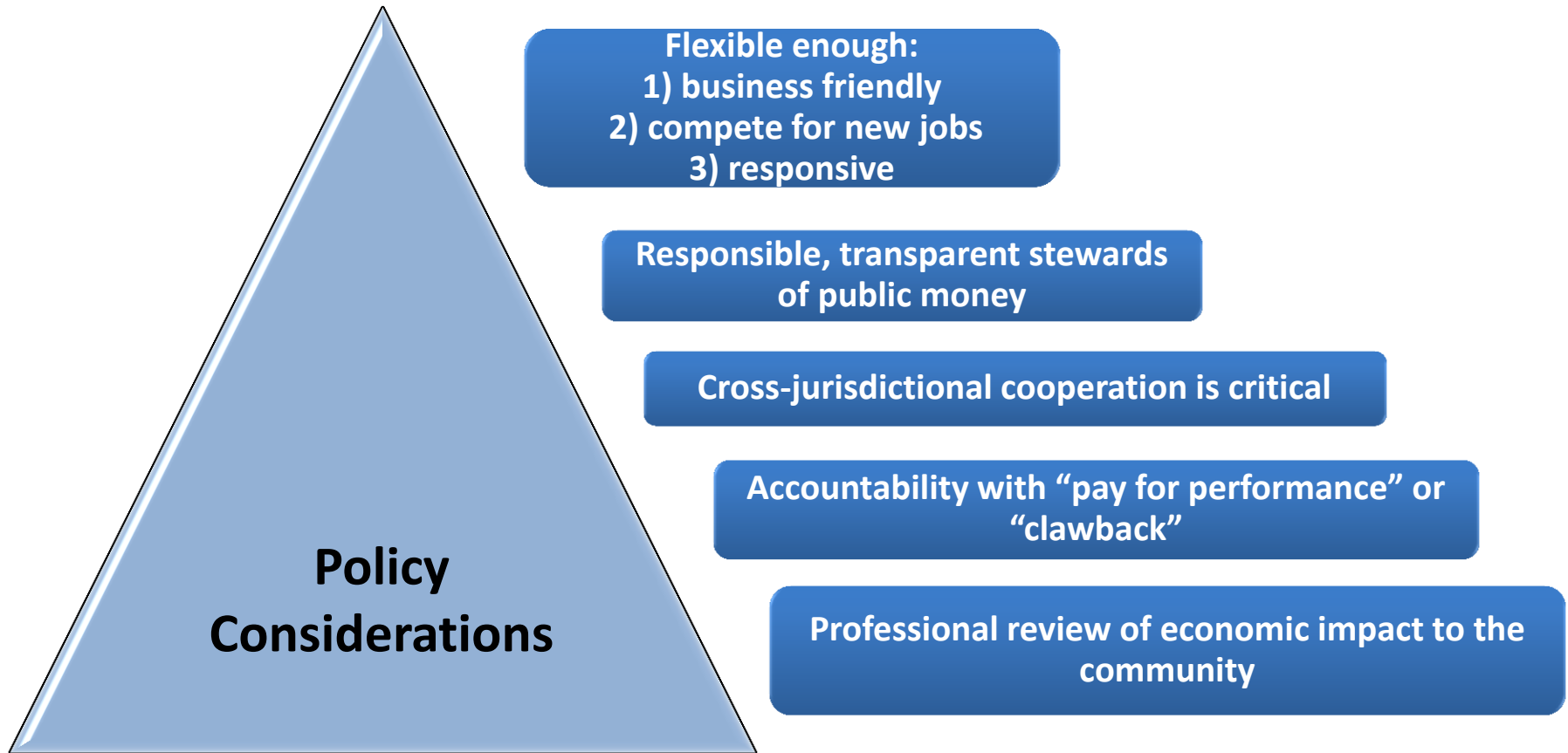
# What will public dollars be used for?

- Job creation
- Training
- Building and equipment
- Relocation costs
- Financial capital (low-interest loans)
- Land options/discounts
- Encourage speculative building development
- Gas lines, roads, rail, utility upgrades, etc.

# What are eligibility requirements?



# What are policy considerations?





## What industries would be targeted?

- Diversification within/outside aerospace
- Emerging global industries fit our workforce
- Additive/Advanced manufacturing
- Health care devices and products
- Unmanned aerial systems
- Food and value-added agriculture
- Professional services
- Information Technology
- Cyber Security
- Energy and Energy Services



## Who makes sure dollars used effectively and efficiently?

- 1) GWEDC – continues to market and negotiate
- 2) Commission – combination of public and private sector oversee Jobs Fund
- 3) Third-Party group – provide compliance and audit oversight
- 4) City Council – establish policies for tax abatements, revenue sharing and any exceptions



# Quality of Life Facilities

- Wichita has many iconic facilities, but they are aging.
- Limited funds are budgeted for maintenance; funding for replacement is more challenging.
- Funding sources could include a combination of public contributions and private funds.

# Century II Convention and Performing Arts Center

- Opened in 1969 and expanded in 1989.
- Served the community well for 45 years, but there are challenges compared to more modern facilities.
- Prime convention space is limited and not properly configured.
- Performing arts space has functional challenges.

# Century II Convention and Performing Arts Center

- Conventions, Sports and Leisure (CS&L) presented a 2013 report to Go Wichita, noting the needs and benefits of a new convention center.
- Fisher Dachs Associates and AMS reports focused on performing arts and identified needs and benefits of new facilities.

# Century II Convention and Performing Arts Center

## Modern Performing Arts Facility:

- Estimated size of 192,000 square feet, with a large hall seating 2,000 and improved front of house space, office space, and production and support areas.
- Estimated costs ranging from \$163 million to \$192 million.

# Century II Convention and Performing Arts Center

## Modern Convention Center:

- Estimated size of 400,000 square feet, with 150,000 square feet of contiguous space, 30,000 in meeting room space and 30,000 in ballroom space.
- Estimated costs ranging from \$292 million to \$400 million.

# Central Library

- Current Facility opened in 1965.
- The current facility has accessibility issues; parking concerns; and significant maintenance challenges.
- Project funding totaling \$30 million is included in the Adopted CIP; the impact on City debt levels led to project deferrals.

# Central Library

- Project costs have not been determined, pending final project scope and design.
- Preliminary design could be completed in November 2014, with final design and costs by 2015. If construction occurred in 2016, final bonding capacity would be needed in 2018.

# Lawrence-Dumont Stadium

- The stadium opened in 1934.
- The National Baseball Congress dates to 1934. The stadium has also hosted various minor league and professional teams, including the current Wingnuts.
- Multiple renovations have occurred since; the most recent project included new turf, sound system and lighting improvements.



# Lawrence-Dumont Stadium

- Future improvements could include a new grandstand structure and façade, skyboxes, seating areas, locker rooms and administrative and ticket offices.
- Tentative project costs are estimated at \$49 million.

# Dunbar Theater

- Dunbar Theater served as a cultural focal point in the McAdams neighborhood in the 1940s and 1950s, falling into disrepair in the 1960s.
- Currently, it is privately owned by POWER CDC.

# Dunbar Theater

- The 2003 McAdams Neighborhood Revitalization Plan included the Dunbar rehabilitation as a goal.
- A 2009 EDI grant provided \$294,000 for design work and re-roofing.
- Total renovation is estimated at \$4.9 million, but funding needs could be lower with funding raising and/or tax credits.

# O.J. Watson Park

- The park in south Wichita opened in 1965.
- Attractions include pony rides, a train ride, miniature golf, pedal boats and traditional park amenities.
- Beginning in 2013, staff engaged the community in the development of a Watson Park Master Plan.

# O.J. Watson Park

- Renovation of the park will focus on structuring attractions based on community feedback and fiscal sustainability through reduced operating costs.
- The Master Plan has identified \$3.3 million in potential improvements.

# Public Transportation

- The City began operating transit service in 1965. The system has had financial challenges since, due to decreasing federal support and ridership.
- In 2012, the City Budget included a variety of restructuring and loans to finance transit service through 2014.

# Public Transportation

- Fully funding current operating and capital funding needs would require as much as \$2.9 million annually.
- Shifting federal support to fund only operations would reduce the shortfall to approximately \$1 million annually; although capital needs would go unmet.

# Public Transportation

- Community feedback has led to a number of potential service enhancement options. These service enhancements would cost between \$3.7 million - \$9.1 million annually, with additional capital costs of \$13.3 million (\$2.8 million local, if grants are available).
- Grants or contributions could reduce costs, but enhancements would still require a significant, on-going local contribution.



# Public Transportation

## Transit Service Funding Gap Summary (Additional Local Funding Requirements)

	Operating Funds	Capital Funds	Total Local Funds
<b>Current Sustainable System</b>	\$2.9 million	n/a	\$2.9 million
1. Baseline Sustainable Service	\$3.7 million	\$0.7 million	\$4.4 million
2. Improved Peak Hour Service	\$1.4 million	\$1.2 million	\$2.6 million
3. Evening Bus Service	\$2.4 million	n/a	\$2.4 million
4. Sunday Bus Service	\$1.6 million	n/a	\$1.6 million
5. Regional Express Service	n/a	\$0.9 million	\$0.9 million
<b>Total of all Enhancement</b>	<b>\$12.0 million</b>	<b>\$2.8 million</b>	<b>\$14.8 million</b>

**Note:** Operating funds represents an annual local commitment; Capital funds would be a non-recurring commitment.

# Homelessness

- Homelessness remains a community issue. The City employs various strategies:
  - Housing First – provides \$380,000 annually in coordination with Sedgwick County to house chronically homeless individuals.
  - Emergency Solutions Grants (ESG) – utilizes \$225,000 in annual federal funds to provide emergency and transitional housing support.

# Homelessness

- HOT Program – involves a pilot project with three Police Officers and connects the homeless with community service and support. The annual cost is approximately \$300,000.
- Section 8 and Public Housing – provides over \$12 million in annual rental vouchers, and subsidizes housing for lower income residents.

# Homelessness

- Based on point-in-time counts, additional homelessness challenges remain.
- There are an estimated 91 unsheltered chronically homeless.
- Maintaining current Section 8 and Public Housing levels is challenging, due to continued federal funding issues.

# Summary

- Economic Development – Developing a Jobs Fund to enhance job growth and economic development could require \$90 million.
- Quality of Life Facilities – Enhancing five facilities could cost up to \$680 million, although the scope of improvements, private contributions and public funding partners could reduce this amount.

# Summary

- Public Transportation – Maintaining the current system could require \$2.9 million annually. Based on community feedback, providing service enhancements could cost an additional \$9 million annually, and up to \$13 million in additional capital funding. Cost could be mitigated somewhat by federal grants.

# Summary

- Homelessness – Expanding the Housing First program (for chronically homeless) could cost \$546,000 annually. Maintaining the HOT strategy long-term would require \$300,000 annually. Expanding Section 8 (\$2.3 million) or Public Housing (\$1 - \$4 million annually) are additional options.

# Discussion